

BART GORDON
6TH DISTRICT, TENNESSEE
COMMITTEES:
ENERGY AND COMMERCE
SCIENCE
RANKING MEMBER
SUBCOMMITTEE:
SPACE AND AERONAUTICS

272373

NHTSA-03-17015-9



**Congress of the United States
House of Representatives**

February 26, 2004

The Honorable Norman Y. Mineta
Secretary, U.S. Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Dear Mr. Secretary:

I understand that the National Highway and Traffic Safety Administration (NHTSA) is considering a petition by Nissan North America, Inc., for a statutory exemption from the Corporate Average Fuel Economy (CAFE) program that requires separate fuel economy calculations for domestically and non-domestically manufactured passenger cars (known as the two-fleet or fleet-split requirement). Originally granted to Volkswagen more than 20 years ago, the exemption is intended to encourage international manufacturers to produce cars in the United States.

As you are aware, after 2005, NAFTA requires Nissan vehicles made in Mexico for the U.S. market to be treated as domestically produced for measuring fuel economy.

I have been informed that the law requires that an exemption be granted unless you determine that the exemption will reduce motor vehicle production employment in the United States. In fact, Nissan is seeking the statutory exemption so it will not have to reduce U.S. manufacturing and employment. On the contrary, with the exemption, Nissan can and will increase employment in the U.S. The company's factories in Tennessee continue to grow rapidly. The exemption will allow Nissan to maintain current levels of domestic production of the Maxima (produced in Smyrna), Altima (currently produced in Smyrna, Tennessee and soon in Canton, Mississippi as well), and the Sentra (using U.S.-made components in Mexico), along with engine production at Decherd, Tennessee.

However, without the exemption, Nissan may be forced to reduce U.S. employment to avoid being penalized. Nissan could reduce

S10-040303-009

2304 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4208
(202) 225-4231
FAX: (202) 225-6887

106 SOUTH MAPLE STREET
P.O. BOX 1986
MURFREESBORO, TN 37133
(615) 896-1986
FAX: (615) 896-8218

15 SOUTH JEFFERSON STREET
P.O. BOX 1140
COOKEVILLE, TN 38501
(931) 528-5807

101 5TH AVENUE WEST
SUITE D
SPRINGFIELD, TN 37172
(615) 382-9712

2004 MAR -5 A 10:21
DEPT OF TRANSPORTATION
DOCKETS

Internet: <http://www.house.gov/gordon/>

ES04-001847

the domestic content of the vehicles made in Mexico, but that would reduce jobs at U.S. auto parts suppliers. Alternatively, Nissan could reduce U.S. production of passenger cars, including the Nissan Maxima and Altima, which are made in Tennessee. However, that would reduce jobs in my state. I am sure you will agree that neither option is a good one for workers in Tennessee or the rest of the United States.

Granting the exemption will allow Nissan to continue its current expansion plans beyond 2005 and will facilitate continued increases in domestic production and employment in the United States from now through 2010. Most importantly, it will meet Congress's goal of increasing U.S. production and benefit autoworkers in what is becoming a growing auto-manufacturing corridor in the Southern United States. For these reasons, I urge you to grant Nissan's petition for exemption from the two-fleet requirement.

Thank you for your consideration of this issue.

Sincerely,



Bart Gordon
Member of Congress

BJG/af